

ARTICLE 1. HALL MEDALLION

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MEDALLIONS

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Medals and Medallions

Arthur F. Hall Medallion

Excerpts from newspapers and other
sources

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hotel cashiers clearly understand how much of an individual's bill he must pay and how much the company will pay. This will help minimize misunderstandings and delays at the Cashier windows. Some companies solve this problem by sending each qualifier his proper expense amount before the convention—and then expecting each person to pay his own bill.

While we are thinking about cashiers, there is another area in which they will be involved. Inevitably, some of your people will need to cash personal checks during the convention. Unless you arrange otherwise, this can be a frustrating experience. Here's a suggested remedy. Will your company guarantee personal checks up to a specified amount? If so, will the hotel make necessary arrangements with its cashiers, instructing them to cash personal checks for your people, up to the specified amount, on the basis of the appearance of their names on the official company reservation list?

WHAT ABOUT POSSIBLE SICKNESS OR ACCIDENTS?

How does the hotel handle sickness or accidents? Is there a doctor on the premises? If not, where can he be reached—and how quickly can he be on hand if needed?

Some companies make it a practice to bring their own company doctors to each convention. While legal and ethical considerations may prohibit your company doctor from personally practicing medicine at the convention site, he can assume full responsibility for working with the hotel doctor when the need arises. Don't minimize the importance of arrangements for medical care. Maybe it won't be needed. But seldom in the course of a convention will the days pass without at least a few bad colds, sprained ankles, and sunburns requiring some type of medical help.

If you are the convention manager, the presence of your company doctor may save you literally hours of time you might otherwise be obliged to spend in trying to provide personal attention for the delegate or delegate's wife who gets sick or has some type of accident.

YOU'LL HAVE COMPLAINTS

No convention site you choose will satisfy all of your people. Regardless of how good the food is, someone won't like it. No matter how carefully you explain the convention expense arrangements, someone is sure to feel that he is being treated unfairly. All of which is to say that you will not be able to satisfy all of your people all of the time.

So expect some complaints and try not to let them upset you unduly. Fairly typical are these: My room is too small—or poorly located—or doesn't have enough closet space—or isn't near my friends—or is too cold—too hot—too noisy, etc. The waiter at breakfast insulted my wife. I ripped my suit on one of the meeting room chairs—and who's going to pay for it? They overcharged me when I checked out. I ordered flowers for my wife and they weren't delivered. Someone stole my wife's fur? The tour bus didn't wait for me. Etc., etc., etc.

Some of these complaints will be real, some will

be fancied. But each is very important to the person who makes it. There are no pat answers, because each one is an individual case.

A very close relationship between you and key members of the hotel staff can be of great help in solving most complaints. If you can take the complainer directly to the appropriate hotel staff member—and if that staff member will give him a courteous, sympathetic hearing, half of the battle is won. Keep in mind that most people appreciate personal attention, and that some people demand it. The majority of complaints and dissatisfactions can be solved with little more than a sincere expression of that old remedy TLC (tender loving care). At times you'll find it hard to believe, but some of your worst complainers can become your strongest boosters if they are made to feel that you really care about their problems.

THERE'S MORE

This article, while it has touched upon a number of areas in convention management, has by no means considered everything. If it has fallen your lot to serve as convention manager for your company, you would benefit greatly from a visit with the experienced convention manager of a company which regularly holds its conventions at recognized convention hotels. He will be glad to fill you in on the many other details not covered here.

A SUCCESSFUL CONVENTION? —HOW DO YOU KNOW?

If the meals and food service were good, if his room was satisfactory, if the business meetings were interesting and helpful, if he had time for some fun and fellowship, and if his wife enjoyed herself, the average convention delegate goes home with a feeling of appreciation for his company—as well as a sense of motivation toward qualifying for the next convention.

In the final analysis, this is what most companies hope will happen when they have a convention. The extent to which it happens will be the measure of your success as a convention manager. Good luck!

SOURCES OF INFORMATION ON CONVENTION SITES AND FACILITIES

In addition to the information sources mentioned early in this article, here are some others which will be of value.

Sales Meetings/Sales Management magazine publishes an "International Convention Facilities Issue." Write to Sales Meetings, 1212 Chester Street, Philadelphia, Pennsylvania, 19107. This publication lists the hotels by States, and provides a thumbnail sketch of what each can offer. Major hotel chains, Sheraton and Hilton, for example, will be happy to send you their respective facilities books which provide photographs and a variety of helpful descriptive data. The Hotel Sales Management Association, 1325 Boardwalk, Atlantic City, New Jersey, 08401, annually publishes a "Hotel-Motel Directory & Facilities Guide." And the American Hotel Association Directory, 221 West 57th Street, New York, New York, 10019, publishes the "Hotel & Motel Red Book" which is an excellent reference book for anyone looking for possible convention sites.

Some of you reading this article have received a specimen of the Arthur F. Hall medallion depicted on the cover of this magazine. Have you ever wondered about it? What does it represent? To whom is it given? Why is it presented? How is it manufactured? We hope the following may be of some interest to you.

This art medal was conceived and first struck in 1942. Since that time these bronze medallions have been struck in limited quantities.

The medal portrays on the front a likeness of Arthur F. Hall, one of Lincoln Life's founders. His life and spirit became, to a considerable extent, the life and spirit of Lincoln Life. His character and influence were so completely infused into the fabric of the company that their force continues to a degree to this day. Secretary, 1905; First Vice President, 1912; President, 1923; Chairman of the Board, 1939-1942. "The Lincoln National Life Insurance Company" appears around the border and "Company founded 1905" and "Arthur F. Hall" appear in much smaller letters below the bust in the lower central area. The medallion was designed by Marshall Fredericks whose name appears in small scrip letters below the bust.

The back of the medallion depicts Abraham Lincoln, sitting with his back against a log reading a book with an axe at his side. The quotation "He held his place—held the long purpose like a growing tree" is in the border band around the central figure. This quotation is from Markham's "Lincoln" and is so stated on the medal. This is also characteristic of Arthur F. Hall's drive and determination to have Lincoln Life meet the ideals of our company's name-sake, Abraham Lincoln.

This art medal is given to Reinsurance Department guests visiting Lincoln Life here in Fort Wayne for the first time. A permanent record is kept of all recipients. Presentation is made generally at the end of a guest's visit as a tangible and utilitarian memento of the visit. Its large size (3" diameter) make it ideal for use as a paper weight. The quality, style, and theme make it a highly desirable collector's item to numismatists and Lincolniana enthusiasts.

The Arthur F. Hall medallion is produced for Lincoln Life by the Medallic Art Company of New York City. There are other fine medallists in this country, but my personal opinion is that Medallic Art is the 'Cadillac' of medal manufacturers. Their quality and experience are unexcelled. The cooperation of the Medallic Art Company and COINage Magazine in the preparation of this article with some of the accompanying photographs is appreciated.

A distinction should be made here between "medal" and "art medal." An art medal is defined as a medal made from a sculptor's model, usually reduced from a large scale plaster model, multiple struck to reproduce all the original detail, and given a patina to fully high-light and emphasize the sculptor's original design. An ordinary medal can be produced in less complex and less expensive ways, very often with only one blow or strike of the coining

THE ARTHUR F. HALL

BY KENNETH L. HALLENBECK, ASSISTANT MANAGER

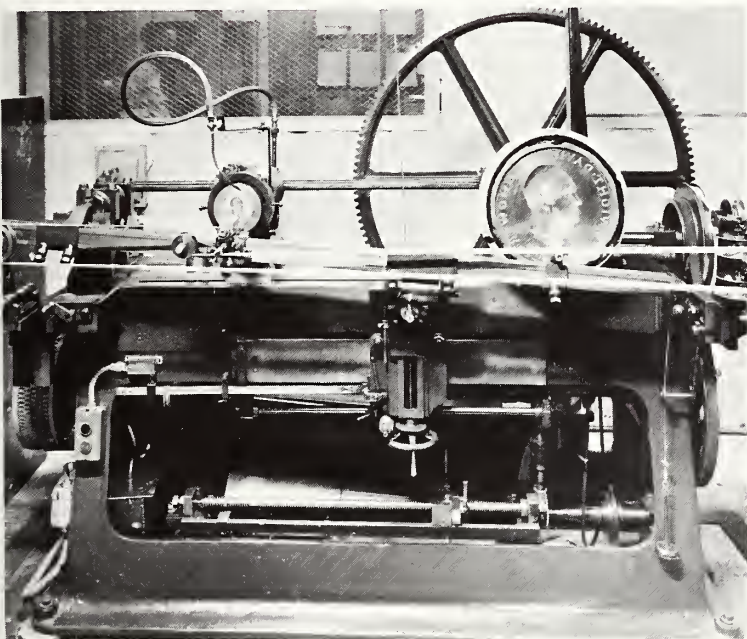


(Above) Preparation of bas-relief, (Below) Metal die shell produced from plaster model



ALL MEDALLION

MANAGER NEW BUSINESS DEPARTMENT



(Above) Janvier machine, (Below) punch press, bronze strips and planchets.



press. The difference in quality is usually apparent.

I have referred to the Arthur F. Hall "medal" as well as "medallion." A medallion is simply a large medal. A medalette is a small medal. This particular medallion is struck in bronze. Bronze is a composition of 95% copper, 4% zinc, and 1% tin for this medallion as well as for most medallions.

A number of steps are necessary in order to create an art medal such as the one we are talking about here. The first stage in actually producing a medal is the drawing prepared by the commissioned sculptor. After approval of the drawing by the customer a large plaster model (also called "bas-relief") is prepared. The model is usually three to four times the size that the actual medal will be. These two steps can easily take weeks or even months.

A metal "die-shell" the same size as the plaster model is produced by an electro-plating process which takes up to four or five days depending upon the surface area of the plaster model. The plaster model can be thought of as convex or "male." The die-shell (which can be thought of as concave or "female") is put on a large Janvier machine. This machine is a pantograph. Its tracing points go over the surface of the die-shell like the sensitive fingers of a blind person. The tracing points project their impressions to cutting points which actually carve the die out of a solid block of soft steel with watch-like precision. The die is then hardened to withstand great pressure.

The actual production of the medal begins with a blank or planchet being stamped out of a bronze strip.

A mammoth press punches out the blank planchets much as a cookie cutter punches out cookies. The blank planchet (or "slug") is approximately 76 millimeters (about three inches) in diameter and weighs roughly $7\frac{1}{4}$ ounces.

The first strike of our medal shows a great lack of detail, only part of the design and lettering around the border show clearly. It almost appears as if someone had sandpapered away the high points. There is some excess metal ("flash") around the edge. The 600 to 800 tons of pressure exerted by the coining press causes the metal from the planchet to ooze out around the edges of the dies. This great pressure also causes the metal planchet to harden, so the medals must be heated to 1200 degrees, then plunged into water, acid, washing, and drying baths before each strike to resoften the metal. This is called annealing.



The second strike brings out much more detail of the central design and all of the lettering around the border now becomes clear. Yet, detail is still missing at the high points of the design and the edge of the

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medal is indistinct. There is slightly more excess metal (flash) around the edge of the medal. 600 to 800 tons of pressure are also required for this strike.

The third strike which is softened (annealed) after the second strike is also subjected to another 600 to 800 ton blow from the coining press. This brings out almost all of the detail except for the very highest parts of the design and the edge. More flash is around the edge.

After again being annealed the medal is struck with the fourth and final blow of 600 to 800 tons of pressure from the huge coining press. There is at this point a fair amount of "flash" around the edge of the medal and all detail of the design and the high rim (edge) of the medal are now sharp and clear.



The flash is removed after the last strike on a special trimming lathe. After trimming off the flash the medal weighs approximately 5 1/2 ounces. This is about 1 3/4 ounces less than the blank planchet that we started with. The diameter of the medal is now a bit over 75 millimeters which is just slightly less than the 76 millimeter diameter of the blank planchet we started with. One might even say the blank planchet was a silly millimeter longer! Edge lettering (MEDALLIC ART CO. NY BRONZE) is stamped on the medal immediately after the trimming of the flash.

The medals are then sandblasted under low air pressure. This step produces a "frosty" surface on the medal and gives a most pleasing appearance at this stage in production.



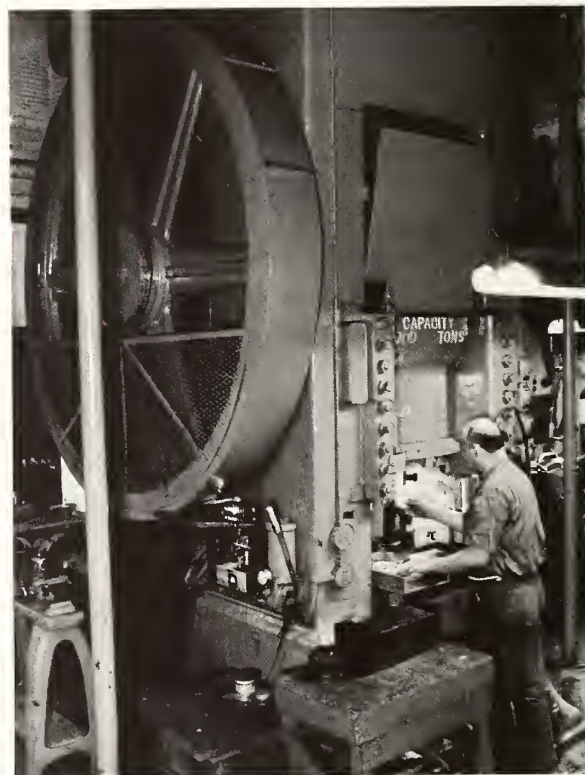
The next to last processing stage is to oxidize the medal. This is accomplished by dipping the medal in a solution of ammonium hydrosulphide in water. It is not a plating, but an oxidation of the bronze itself. It usually looks dark brown. The medal does not look particularly attractive at this point.

On the finished medal oxidation from the previous step has been buffed off by machine and also hand-brushed to remove some of the machine buffing

streaks. The only oxidation left is in the crevices which gives the medallion its highlights or slight shadow effect. The medallion is also at this point given a minute covering of lacquer to protect the medallion's finished surface.



(Below) Thousand ton coining press



The finished medal of the Arthur F. Hall medallion is presented by the Reinsurance Department of Lincoln National Life to Home Office visitors. For those of you who have one, we hope this has made your personal momento even more meaningful. And, for those who do not, we would welcome the opportunity to have you visit us in Fort Wayne.



business fall below a certain level. A money-purchase formula is essentially a profit sharing plan for the self-employed individual; therefore, unless there are eligible employees, a profit-sharing formula would have no distinctive meaning for a sole proprietor.

As the net profits decrease under a profit-sharing formula, the owner-employee receives a decreasing share of the amount to be allocated among the participants since the compensation of the employees would normally remain the same. For example, assume an employer's profit-sharing formula provides that 50% of net profits in excess of \$5,000 will be allocated annually in proportion to the compensation of all participants (maximum 10% of compensation or \$2,500 for each participant). The total salaries of the three eligible employees is \$15,000.

	1968 Profits: \$13,000	1969 Profits: \$9,000
1. Amount to be allocated:	\$4000	\$2000
2. Owner's allocation:	\$1857.14 13 *	\$ 750 9 *
	28	24
3. Employees' allocation:	\$1500 (max.)	\$1250 15 *
		24

* This fraction is the ratio of the participant's compensation to the compensation of all participants before the contribution to the profit-sharing plan.

Thus, it is obvious that the Owner receives relatively less when net profits are decreasing since the employees receive a continually higher percentage until profits fall below \$5000.

11. SHARED EMPLOYEES—Occasionally several sole proprietors share an employee such as a receptionist or nurse. This is not an uncommon practice for attorneys working in adjacent offices or doctors practicing in a clinic. Employees who are shared in this manner must be considered "full-time" employees of each employer if they are employed full time by a combination of employers. Thus, these employees may not be excluded from an HR-10 plan established by one of the employers simply because they do not work exclusively for that employer on a full-time basis. Those employees who satisfy the service requirement would be eligible to participate as full-time employees in an HR-10 plan established by any one or combination of the employers, but only to the extent that their compensation is paid by that employer. (Rev. Rul. 67-101)

12. THREE-YEAR AVERAGE—The three-year average provision of the law is an exception to the "excess contribution rule" when annuity, endowment or life insurance contracts are used to fund an HR-10 plan. Under this provision, an owner-employee is permitted to contribute what he would have been allowed to contribute on the basis of an average of deductions that could have been claimed (without regard to the 50% limitation on deductions prior to January 1, 1968) for the three years preceding issuance of the last contract or after any modification of benefits or contributions. Thus, even though an owner-employee's earned income may decrease in a subsequent year, he may continue the initial contribution without violation of the excess contribution rules even though the maximum deduction which is based upon current income is less than the annual contribution.

It is not necessary that the three-year average be recalculated each year; it remains unchanged as long

as there has been no modification of benefits or contributions.

The Internal Revenue Code (IRC 401 (e)(3)) and Reg. 1.401-13 (c)(4)(i) indicate that the amount of the contribution shall not exceed the average of the amounts which were deductible (or which would have been deductible if the plan had been in effect) for the first three taxable years preceding the year in which the contract was issued, disregarding the 50% limitation for tax years ending prior to December 31, 1968.

In Revenue Ruling 65-200 the IRS states that the premiums shall be based on *earned income averaged* over a period of three years prior to the date the last contract was issued. Contributions based on *averaged earned income* are not excess contributions even though the amount may exceed 10% of current income.

There is an obvious lack of consistency between the Code and the Revenue Ruling. In the author's opinion Part 6 (c)(2) of Document No. 5592, "Retirement Plan for Self-employed Individuals," published by the U.S. Treasury Department illustrates the view taken by the IRS in examining this problem. The earned income to be averaged is limited by the contribution percentage rate adopted in the plan. Thus, a 10% plan would use an average of three income figures, none of which exceed \$25,000, and likewise, a 7.5% plan would involve a maximum of \$33,333 and a 5% plan, \$50,000. For example, if the plan percentage rate was 8%, the maximum amount of income that could be included in the three-year average for any one year would be \$2500 divided by .08 or \$31,250.

13. UNION EMPLOYEES—It appears possible that if union employees already have a plan provided by their employer which is better than or equivalent to the HR-10 plan, they could be excluded from the HR-10 plan. Generally, though, a union plan would not call for immediate 100% vesting, whereas the HR-10 plan would. It would be difficult to demonstrate that a non-vested plan is better than a vested one. This was done in a similar HR-10 situation in North Dakota (Hall et al. v. U.S.). However, the Hall case did not involve owner-employees and this factor eliminated many of the special HR-10 restrictions including the immediate 100% vesting requirement.

The Lincoln will not issue HR-10 policies under a plan that attempts to exclude those employees covered under another pension plan unless the plan is specifically designed so that comparable benefits or contributions are purchased for all participants, and the vesting for the owner-employees is not better than that of the common-law employees. Under normal circumstances, an attorney would have to draw up a special "Plan" in order to qualify such a retirement program.

14. WAIVER OF PARTICIPATION—An owner-employee is the only type of individual who may elect not to participate in an HR-10 plan. Regulation 1.401-(2)(e) states "Therefore, a plan may not provide, for example, that an employee, other than an owner-employee, is ineligible to participate because he does not consent to be a participant . . ." If an employee will not consent to participate, the employer will be unable to establish a plan for his business.



Client Life President to Lawyer: We've simply got to expand our HR-10 portfolio ... and fast! This market is explosive.



Lawyer to President: What did you have in mind, sir? Our present prototype seems adequate. Trouble is, there are several new approaches out that I haven't run into yet.



President to Lawyer: I'm not sure myself. Tell you what. Let me call The Lincoln legal people and set up an appointment for you later in the week. Then you fly over and spend a day or so with them.



Client Life Lawyer to Lincoln Lawyer: Mike, you know our set up. Based on the industry trends today what new programs would be workable and easily drafted for IRS consideration.



Lincoln Lawyer to Client Life Lawyer: This prototype plan has worked very well for us and I believe you could expect early clearance from IRS. But most important, it will adapt to your present portfolio.



Client Life Lawyer to President: Here's what they suggested at The Lincoln. I've drafted the new prototype for IRS review. Agency is already working up some new material.

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